

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:1598

ANSWERED ON:08.12.2015

Loans to Sugar Mills

Rajesh Shri M. B.; Verma Shri Rajesh

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether many sugar mills have failed to clear their sugarcane dues despite availing interest free loans from the Government;
- (b) if so, the details thereof and the reasons therefor indicating the quantum of loans availed, sugarcane price paid and dues pending during each of the last two years and the current year, State-wise;
- (c) the steps taken to ensure that the sugarcane dues of the farmers are cleared by sugar mills at the earliest; and
- (d) whether the Government proposes to take action against sugar mills for not clearing dues despite availing interest free loans and if so, the details thereof?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a) & (b): In recent past, the Central Government has extended working capital loans with interest subvention to sugar mills to facilitate clearance of cane price dues of farmers under scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) and Soft Loan scheme. The loan disbursed under both the schemes was to be used exclusively for payment of cane price dues of farmers and there were in-built provisions in the notification of the scheme to ensure the same. State-wise details of quantum of loan disbursed under the two schemes, sugarcane price paid and cane price arrears during last two and the current sugar seasons are annexed.

...2/-

...2...

(c): Apart from extending working capital loan with interest subvention under the schemes referred in reply to Part a) above, the Central Government with a view to facilitate clearance of cane price arrears of sugarcane farmers, has also taken several other initiatives to help the industry resolve liquidity problems and expeditiously clear cane price dues. The measures taken by the Government are listed below:-

i) Incentive for exporting raw sugar in sugar seasons 2013-14 and 2014-15.

ii) Fixing remunerative prices for supplies of ethanol to Oil Marketing Companies (OMCs) for blending with petrol to improve liquidity of mills; waiver of excise duty on ethanol supplies to OMCs during 2015-16 and scaling up of blending targets from 5% to 10%.

iii) Enhanced import duty to 40% to discourage imports.

iv) The "Duty Free Import Authorization" scheme (DFIA), for sugar withdrawn.

v) The period for discharging Export Obligations under the Advanced Authorization Scheme for sugar reduced to 6 months to prevent leakage into the domestic economy.

vi) Notified a scheme on 02.12.2015 to extend production subsidy @ Rs. 4.50 per quintal to sugar mills to offset the cost of cane and facilitate timely payment of cane price dues of farmers.

(d): The Sugarcane (Control) Order, 1966 stipulates payment of cane price within 14 days of supply, failing which interest at the rate of 15% per annum on amount due for the delayed period beyond 14 days is payable. The powers for enforcing this provision are delegated and vested with the State Governments/UT Administrations who have necessary field formations. The Central Government also advises the State Governments to ensure that timely payment is made to the cane growers and to take action against the defaulting sugar mills for non-payment of cane price arrears.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE UNSTARRED QUESTION NO.1598 DUE FOR ANSWER ON 08.12.2015 IN THE LOK SABHA

STATEMENT SHOWING QUANTUM OF LOANS DISBURSED, SUGARCANE PRICE PAID AND DUES PENDING DURING LAST TWO YEARS AND CURRENT YEAR

*Amount includes loan disbursed to some of the mills located in U.P. and Bihar also.

(Rs. in crores)

SL. NO.

STATE

2013-14

2014-15

2015-16

LOAN DISBURSED UNDER SEFASU 2014

CANE PRICE PAID 2013-14

CANE PRICE ARREARS 2013-14

LOAN DISBURSED UNDER SOFT LOAN SCHEME,
2015

CANE PRICE PAID 2014-15

CANE PRICE ARREARS 2014-15

CANE PRICE PAID 2015-16

CANE PRICE ARREARS 2015-16

1

2

3

4

5

6

7

8

9

1.

PUNJAB

149.60

1422.89

0

77.37

1529.61

134.27

0

0

2.

HARYANA

122.31

1689.30

0

122.65

1725.22

45.62

0

0

3.

RAJASTHAN

0

0

0

0.00

2.25

0

0

0

4.

UTTAR PRADESH

1607.22

17711.21

0

1045.45

17776.74

2868.39

0

0

5.

UTTARAKHAND

86.50

908.64

0.89

58.09

697.57

277.46

0

0

6.

MADHYA PRADESH

41.36

779.23

0

51.14

929.20

4.40

0

0
7.
GUJARAT
288.76
2638.30
9.41
41.16
2192.78
19.43
63.28
65.06
8.
MAHARASHTRA
2054.36
13563.12
32.16
1667.92
18089.30
718.97
0.00
169.37
9.
BIHAR
61.51
1630.07
2.78
129.64
1367.25
56.35
0
0
10.
ANDHRA PR.
170.93
1595.96
1.66
99.96
1356.89
52.18
0
0
11.
TELANGANA
33.90
820.26
0
28.25
762.44
38.53
0
0
12.
KARNATAKA
827.77
9002.03
347.68
481.79
10837.17
613.43
0
0
13.
TAMIL NADU
730.26
3711.14
328.16
252.13
3076.15
518.08
70.87
41.74

14.
ODISHA
0
133.49
2.33
0.00
101.85
0.58
0.00
0.86
15.
WEST BENGAL
243.22*
15.07
0
84.66*
11.21
1.82
0
0
16.
PUDUCHERRY
0
99.56
11.04
8.47
21.58
0
0
0
17.
GOA
2.98
21.42
0
3.00
17.24
4.09
0
0
18.
CHHATTISGARH
0
114.98
0
0.00
173.02
0.07
0
0
TOTAL
6420.68
55859.67
736.11
4151.68
60667.47
5353.67
134.15
277.03